Spectur Limited (ASX:SP3) Announces H1 FY 2019 Record Results

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Highlights

Financial Highlights

- Revenue of $2.2M for H1 FY2019 – an increase of 94% ($1.1M on previous half year).
- Total SaaS recurring revenues $750k annualised, as at 31 December 2018.
- Camera rentals increased over 400% from the corresponding half year period.
- EBITDA loss down 15% to $1.50M ($1.76M in prior period).
- Gross profit margins 59% (up from 42% in H1 FY 2018) resulting from pricing increases, new products and larger proportion of rentals.
- Spectur's net loss after tax a 10% decrease on the prior half year from $1.75M to $1.57M
- Cash balance of $1.4M.
- First cash flow-positive month achieved in January 2019. While not yet cashflow positive overall, indicative of Company's reducing cash burn and move towards positive EBITDA.

Business Development Highlights

- Investment in people and company infrastructure providing a strong platform for long term sustainable growth without a significant increase in staffing levels.
- Penetration of key target markets within Australia.
- Over 1,600 cameras in the field generating ongoing revenues.
- Inventory increased by 56% to $1.4M H1 2019 from $0.9M H1 2018 as raw materials secured to cater for future anticipated growth.
- Government validation of Spectur's technology via orders from State and local government (councils) across a range of applications (shark warning system, beachside car park security, monitoring of illegal dumping at tip sites and other remote / non-powered sites).
- Ongoing sales to Department of Planning Lands and Heritage WA.
- Broad up-take across state and local governments provides a springboard to significantly extend reach into east coast Councils and State Governments.

Outlook

- Moving forward with New Zealand distributor – low cost entry into new market.
- Increased roll-out of new products such as Thermal Cameras, trailer-mounted units and Shark Warning & Beach Safety Systems - all carrying higher revenues and margins.

- Research completed for limited US market trial - initial trial units now shipped to potential partner in Austin, Texas for evaluation.
- Targeting critical infrastructure sectors including energy, water and telecommunications supply assets, railways and other large infrastructure projects.
- Forecasting significantly reduced net cash burn for upcoming periods based upon achievement of sales targets.
- The board may consider debt funding options that may be used to accelerate Spectur's expansion plans, (having regard to the operational circumstances, financial position and market opportunities).

Spectur Managing Director Peter Holton noted, "Results have significantly improved compared to the prior comparative period and Spectur has worked hard to lay a solid foundation for future growth. The business has expanded geographically and costs have now stabilised. Our financial performance reflects the investments we have made in people, processes and systems to capitalise on our significant market growth opportunities.

Spectur made its first cash flow-positive month in January 2019 fuelled by our growing recurring revenue base. Our overall and rapidly-growing revenues are quickly reducing net monthly cash burn and extending the business' runway to sustained positive cashflow and EBITDA.

With a strong balance sheet and solid revenue growth the Company is well positioned for continued growth without adding significant overheads."

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ABOUT SPECTUR
Spectur Limited (ASX:SP3) is an Australian-based company which owns the rights to its innovative hardware and disruptive cloud based IOT and security systems which operate in Australia. The two key industries that Spectur currently services are the building/construction/civil industry and the critical infrastructure industry. The Company's focus is to service the commercial, industrial and government sectors. Spectur's core product is the HD4 security camera system and associated cloud based platform. The HD4 is a solar powered battery backup security system which is remotely accessed and connected via 3G/4G technology which is connected to the cloud based platform. Spectur has also added thermal camera surveillance as a stand-alone system to complement its existing product base. The Company is rapidly implementing a growth plan to firstly grow revenues and market share in the Australian security surveillance sector and, secondly to penetrate other key strategic markets.